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CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
SOUTH CENTRAL UTAH TELEPHONE
ASSOCIATION, INC., A UTAH NON-PROFIT
CORPORATION, FOR A HEARING TO
DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER

DOCKET NO. T-01923A-13-0428

**SUPPLEMENTAL RESPONSE TO
PROCEDURAL ORDER**

ORIGINAL

1 South Central Utah Telephone Association, Inc., a non-profit Utah corporation, doing
2 business as South Central Communications ("SCC"), hereby files a revised summary income
3 schedule showing the same six scenarios covered in SCC's August 22, 2014, filing.

4 Please note that the projected revenue decreases in Cases 4, 5, and 6 (where rate increases
5 to not match the FCC benchmarks) are larger than the amount of test-year HCL/USF income.
6 This is because the test-year ending November 30, 2013, had abnormally low HCL due to SCC's
7 reconfiguration of its network from host-remote (low USF support) to subscriber loop (high USF
8 support) effective Jan 1, 2014. Going forward, HCL will exceed the potential reductions if the
9 rate increases were not to be approved. SCC forecasts 2014 HCL/USF revenue will be
10 approximately \$62, 500 compared to the Case 6 revenue reduction of \$47,046.

Arizona Corporation Commission
DOCKETED

SEP 23 2014

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1 Respectfully submitted on September 22, 2014.
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South Central Utah Telephone Association, Inc.

REGULATED RESULTS OF OPERATIONS FOR 12 MONTHS ENDING 09/30/2013

REFLECTS CHANGES EFFECTIVE WITH ARC AND CAF IMPLEMENTATION - YEAR 2

COMPARISON OF VARIOUS RATE AND BENCHMARK SCENARIOS

		INTRASTATE Base Case	INTRASTATE Case 1	INTRASTATE Case 2	INTRASTATE Case 3	INTRASTATE Case 4	INTRASTATE Case 5	INTRASTATE Case 6
Assumed Actual Rate		\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 14.00	\$ 14.00	\$ 14.00
Assumed Benchmark Rate		\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 16.00	\$ 18.00	\$ 20.00
		(f)	(f)	(f)	(f)	(f)	(f)	(f)
1 Local		262,507	262,507	262,507	262,507	262,507	262,507	262,507
2 Universal Service Fund (USF-HCL) and Safety Net Additive (SNA)		13,255	13,255	13,255	13,255	13,255	13,255	13,255
3 Access Revenues		150,671	150,671	150,671	150,671	150,671	150,671	150,671
4 Billing & Collecting		-	-	-	-	-	-	-
5 Other Misc., Uncollectibles		20,420	20,420	20,420	20,420	20,420	20,420	20,420
6 Total Operating Revenues		446,853	446,853	446,853	446,853	446,853	446,853	446,853
7 Plant Specific Expenses		90,814	90,814	90,814	90,814	90,814	90,814	90,814
8 Plant Nonspecific Expenses		4,845	4,845	4,845	4,845	4,845	4,845	4,845
9 Depreciation & Amortization Expenses		186,766	186,766	186,766	186,766	186,766	186,766	186,766
10 Customer Operations Expenses		70,281	70,281	70,281	70,281	70,281	70,281	70,281
11 Corporate Operations Expenses		70,394	70,394	70,394	70,394	70,394	70,394	70,394
12 Other Operating Taxes and (Income)		64,189	64,189	64,189	64,189	64,189	64,189	64,189
13 Nonregulated Adjustment		-	-	-	-	-	-	-
14 Total Operating Expenses		487,289	487,289	487,289	487,289	487,289	487,289	487,289
15 OPERATING RETURN BEFORE TAXES		(40,436)	(40,436)	(40,436)	(40,436)	(40,436)	(40,436)	(40,436)
16 State Income Taxes (SIT) (6.97%)		-	-	-	-	-	-	-
17 Federal Income Taxes (FIT) (35%)		-	-	-	-	-	-	-
18 Total Operating Income Taxes		-	-	-	-	-	-	-
19 Total Expenses and Income Taxes		487,289	487,289	487,289	487,289	487,289	487,289	487,289
20 Net Operating Income		(40,436)	(40,436)	(40,436)	(40,436)	(40,436)	(40,436)	(40,436)
21 Total Year-End Avg Rate Base		980,729	980,729	980,729	980,729	980,729	980,729	980,729
22 Return on Rate Base (Ln 20 / Ln 21)		-4.12%	-4.12%	-4.12%	-4.12%	-4.12%	-4.12%	-4.12%
23 Estimated Revenue from Local Rate Increase		0	15,682	31,364	47,046	0	0	0
24 Estimated Annual Reduction in High-Cost Loop Support		0	0	0	0	15,682	31,364	47,046
25 State Income Taxes (SIT) (6.97%)		-	-	-	-	-	-	-
26 Federal Income Taxes (FIT) (35%)		-	-	-	-	-	-	-
27 Increase in Net Operating Income		0	15,682	31,364	47,046	-15,682	-31,364	-47,046
28 Net Operating Income After Increase (Ln 20 + Ln 26)		(40,436)	(24,754)	(9,072)	6,610	(66,118)	(71,800)	(87,482)
29 Return on Rate Base After Increase (Ln27 / Ln21)		-4.12%	-2.52%	-0.93%	0.67%	-5.72%	-7.32%	-8.92%